STATE OF ALABAMA

ANNUAL STRATEGY STATEMENT

FISCAL YEAR 2014

Robert Bentley
Governor

ALABAMA DEPARTMENT OF ECONOMIC AND COMMUNITY AFFAIRS

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Introduction

Vision: Appalachia will achieve socio-economic parity with the nation.

Mission statement of ARC: ARC's mission is to be a strategic partner and an advocate for sustainable community and economic development in Appalachia.

Each year, the thirteen member-states of the Appalachian Regional Commission (ARC) publish strategy statements outlining their plans for the use of ARC funds in the designated ARC service areas of their respective states. Programs and activities benefiting the residents of those areas are eligible to receive consideration for funding from the funds designated by Congress for that purpose. Thirty-seven counties in northern Alabama are included in the service area of the Appalachian Regional Commission (ARC). These counties are listed on the Alabama Department of Economic and Community Affairs (ADECA) web site: www.adeca.alabama.gov as well as the ARC web site at www.arc.gov/counties.

This strategy statement is submitted annually to the Commission and outlines the State's commitment for the use of ARC funds. It was written with the assistance of the eight Local Development Districts serving Appalachian Alabama: West Alabama Regional Commission, Regional Planning Commission of Greater Birmingham, Top of Alabama Regional Council of Governments, Northwest Alabama Council of Local Governments, North Central Alabama Regional Council of Governments, South Central Alabama Development Commission, Central Alabama Regional Planning Commission, and East Alabama Regional Planning and Development Commission and David Hughes of the Appalachian Regional Commission staff in Washington, DC.

Overview of the ARC Alabama Program

Organization

The Appalachian Regional Commission is a regional economic development agency, representing a partnership of federal, state, and local governments, designed to address local needs. The Commission was established by Congress as part of the Appalachian Regional Development Act (ARDA) of 1965.

ARC is comprised of the governors of 13 Appalachian states and a federal co-chair, who is appointed by the president. Grassroots participation is provided through state support and multi-county development organizations called local development districts (LDDs). Each year Congress appropriates funds, which ARC allocates among its member states. The Appalachian governors prepare annual Appalachian strategy statements (such as this one), solicit and receive proposals, and select projects for ARC approval. The LDDs are an essential partner and provide local input in the development of the annual strategy statement.

The development organization for ARC Alabama functions within the Governor's Office. Administration responsibilities for the development programs of the ARC were assigned by the Governor to the Director of the Alabama Department of Economic and Community Affairs (ADECA). As such, the Director serves as the Alternate State Member of the Commission. Local support and technical assistance are provided by eight LDDs which serve the entire Appalachian Alabama region. The LDDs are governed by boards comprised of elected officials, business people, and other local leaders. (See Appendix 1 for a complete listing of LDDs).

Service Area

Thirty-seven of Alabama's sixty-seven counties are located within the Appalachian Region. These counties are: Bibb, Blount, Calhoun, Chambers, Cherokee, Chilton, Clay, Cleburne, Colbert, Coosa, Cullman, DeKalb, Elmore, Etowah, Fayette, Franklin, Hale, Jackson, Jefferson, Lamar, Lauderdale, Lawrence, Limestone, Macon, Madison, Marion, Marshall, Morgan, Pickens, Randolph, St. Clair, Shelby, Talladega, Tallapoosa, Tuscaloosa, Walker, and Winston.

Appalachian Development Highway System

The completion of the Appalachian Development Highway System (ADHS) will offer an important contribution to economic growth in Appalachian Alabama. ADHS Corridors X and V will provide major new connections to Memphis, Tennessee in the west and Atlanta, Georgia to the east. Corridor X runs between Birmingham and Itawamba County, Mississippi and will provide an important alternative to U.S. 78, currently the only major east-west highway corridor in the area. U.S. 78 is presently a two-lane highway that travels through the heart of a number of small communities and is subject to heavy auto and truck traffic levels. Corridor X, being constructed to Interstate standards, will have a minimum of four lanes and feature full access control. Corridor V in Alabama links the Mississippi State Line to the Tennessee State Line and is now nearly complete with approximately 135 miles open to traffic. Corridor V having been constructed in stages still requires more work - primarily the addition of travel lanes.

While the ADHS provides important highway access, improving connections between the highway network and important rail lines, inland waterways, and airports will assure the global reach necessary for area businesses to compete and succeed in the global economy of the 21st century. Building on the success of the International Intermodal Center at Huntsville International Airport and capitalizing on the new containerized shipping capabilities now being developed at the Port of Mobile, improved coordination and integration of highway, rail, inland navigation, and aviation services will provide Appalachian Alabama with a powerful new link to the global supply chain, improving the competitiveness of existing businesses and attracting important new enterprise into the region.

Socio-Economic Status of ARC Alabama

Ranking System for ARC Counties
ARC's primary objective is to help "distressed" counties generate sufficient economic development to stabilize their respective economies. ARC's allocation formulas use a

data-driven classification method to designate the relative economic status for each county. Traditionally, three economic indicators have been used in that scheme – a county's three-year rolling unemployment rate average, the poverty rate, and per capita market income—as criteria for each county's designation. In recent years, the Commission has refined its classification method to incorporate an index-based ranking that allows a comparison of the Region's counties to the rest of the United States, thus establishing each county's designation by means of this comparison. Additionally, it should be noted that, for Fiscal Year 2014, the poverty designation is based not on the decennial census as in previous years, but on the U.S. Census Bureau's American Community Survey, 2006-2010.

The index-based approach to the economic classification of ARC counties provides that ARC *Distressed* counties consist of those that fall into the tenth (10th) percentile of the nation's 3,110 counties. Appalachian counties whose composite index ranks between the tenth (10th) and twenty-fifth (25th) percentile are designated *At-risk* counties. Appalachian counties whose composite index ranks in between the twenty-fifth (25th) and the seventy-fifth (75th) percentile are designated as *Transitional* counties. Counties whose index falls between the seventy-fifth (75th) and ninetieth (90th) percentile are designated as *Competitive*. And finally, Appalachian counties that have a composite index that falls into the ninetieth (90th) percentile are designated as having reached *Attainment* status. For FY2014, Alabama has one Attainment County (Shelby) and one Competitive County (Madison).

The following table denotes which Appalachian Alabama counties have received a *distressed* classification since FY2009:

FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Hale	Hale	Hale	Chambers	Chambers	Chambers
			Hale	Hale	Hale
Macon	Macon	Macon	Macon	Macon	Macon
				Pickens	Pickens
				Winston	Randolph
					Winston

Distressed Counties
As noted above, counties ranked in the bottom ten percent of all counties are considered *Distressed*. For Fiscal Year 2014, these are Chambers, Hale, Macon, Pickens, Randolph and Winston. As such, they are eligible for eighty percent (80%) funding from ARC for projects taking place in those counties, up to the State limit of $200,000.

At-Risk Counties
As noted above, counties ranked between the lowest ten percent and twenty-five percent of all counties are designated *At-Risk* under ARC's classification scheme. Using this ARC indexing system, there are ten (10) *At-Risk* counties in Appalachian Alabama for

FY-2014. These are Bibb, Cherokee, Clay, Coosa, DeKalb, Fayette, Franklin, Lamar, Marion, and Talladega Counties. As such, they are eligible for seventy percent (70%) funding from ARC, up to the State limit of $200,000.

Other Designations
Transitional, Competitive, and *Attainment* counties are eligible for fifty percent (50%), thirty percent (30%), and zero percent (0%) funding from ARC, respectively. *Attainment* counties are generally prohibited from participating in an ARC project except in cases where the project activity clearly benefits a distressed county as well. For FY-2014, Alabama has one *Attainment* County – Shelby, and one *Competitive* County – Madison. All other counties in Appalachian Alabama are designated as *Transitional* Counties.

Economic Summary
Alabama's Appalachian Region includes 37 counties in the northern half of the state, with a mix of urban and rural areas. The region covers the Anniston, Birmingham-Hoover, Decatur, Florence-Muscle Shoals, Gadsden, and Huntsville MSAs areas as well as parts of the Montgomery and Tuscaloosa metros.

The Appalachian Region's civilian labor force averaged 1,408,556 workers in 2010, down 2.1 percent from 2009. Employment fell at a slower rate as the recession weakened, declining 1.8 percent to 1,278,546. The unemployment rate improved from 9.5 percent in 2009 to 9.2 percent for 2010. A recent survey found that around 24.0 percent of working Appalachian Region residents was underemployed in 2010. These workers—in jobs that underutilize their experience, training, and skills—are more likely to respond to new opportunities. Applying the underemployment rate to 2010 labor force data indicates that an estimated 306,371 workers were underemployed across the 37-county area. The underemployed, together with 130,010 unemployed residents, constituted an available labor pool of 436,381 persons.

The region's economy is service oriented; service providing industries accounted for 75.9 percent of all jobs in the first three quarters of 2010, while goods producing industries contributed 19.8 percent. Average wage per job was $40,125 in 2009, 103.7 percent of the state average. Wages rose at close to the state's 35.8 percent increase between 2000 and 2009.

As a whole, the economy of Alabama's Appalachian Region showed moderate growth between 2001 and 2009, with current dollar earnings up 31.4 percent to $71.98 billion. Total employment rose 5.4 percent over the same period, as the area added 82,650 full- and part-time jobs. Proprietor's employment increased to 344,896 in 2009; the addition of 95,591 self-employed sole proprietors and partners since 2001 is a 38.3 percent gain. Proprietors accounted for 21.4 percent of all jobs in 2009. Wage and salary employment across the 37 counties decreased by 22,628 (1.9 percent) to 1,150,829 from 2001 to 2009. The number of jobs declined by 22,657 from 2009 to 2010, a loss of 2.0 percent.

Service businesses accounted for 47.7 percent of Appalachian Region jobs in 2010, up from 40.9 percent in 2001. Among service industries, health care and social assistance

saw the largest increase, adding 21,966 jobs for a 16.9 percent gain. Employment in management of companies and enterprises doubled during the period, with 6,602 new jobs. On the goods producing side, manufacturing's share of the region's nonfarm employment shrank from 19.2 percent in 2001 to 14.3 percent in 2010, with the loss of 63,635 jobs (-28.2 percent). Construction shed 13,857 jobs during this interval, a drop of 21.4 percent. Employment of 194,489 in wholesale and retail trade in 2010 amounted to 17.2 percent of the area's wage and salary total; trade employment fell 6.3 percent since 2001. Public administration added 3,050 jobs between 2001 and 2010, while employment in financial services decreased by 5,494. Business sales across the Appalachian Region totaled $194.5 billion in 2010.

The population of the Appalachian Region counties rose 8.0 percent between 2000 and 2010, with 227,298 more residents. At 3,064,522, the area housed 64.1 percent of the state's population in 2010. The 2010 population was 72.7 percent white and 21.8 percent black.

Per capita income of $34,793 in 2008 was 102.9 percent of the Alabama average. The 2000 Census found 14.8 percent of the area's population living in poverty; 2010 estimates had poverty higher at 15.8 percent.

Housing units totaled 1,378,823 in 2010, of which an estimated 12.2 percent, or 168,738 units, were vacant. The number of occupied housing units rose by 94,495 (8.5 percent) between 2000 and 2010 to total 1,210,085.

Looking at educational attainment, 81.5 percent of the Appalachian Region's 25 and over population had at least a high school education in 2010, about the same as the state's 75.3 percent. Among area residents aged 25 and over, 22.3 percent held a bachelor's or higher degree, above the 21.7 percent statewide average. (Dr. Sam Addy, Center for Business and Economic Research, The University of Alabama).

Program Initiatives Review

Local Development Districts

In order to strengthen local participation and use funds effectively and efficiently, the Appalachian Regional Commission works with Alabama and other Appalachian states to support a network of multi-county planning and development organizations, or Local Development Districts (LDDs) throughout the Appalachian region.   In Alabama, eight (8) Local Development Districts cover the 37 ARC counties in Alabama. The Executive Directors and staff of Alabama's ARC LDD's are instrumental in the implementation of Alabama's ARC Program.   They work with their board members, elected officials, economic development professionals and citizens to identify priority needs of their local communities. In turn, the LDDs develop and implement plans for economic development in their communities which empower local leadership and foster and sustain economic development.

The LDDs which cover Alabama's ARC region are:

Northwest Alabama Council of Local Governments
West Alabama Regional Commission
Regional Planning Commission of Greater Birmingham
East Alabama Regional Planning and Development Commission
South Central Alabama Development Commission
Central Alabama Regional Planning and Development Commission
North Central Alabama Regional Council of Governments
Top of Alabama Regional Council of Governments

The counties of Colbert, Franklin, Lauderdale, Marion and Winston comprise the **Northwest Alabama Council of Local Governments (NACOLG)**. As Chair of the Region 1 Workforce Development Council, NACOLG holds meetings with members of the community to discuss business, educational and economic issues to improve the quality of life for our citizens.

The LDD's participation in workshops provided by the Appalachian Regional Commission each year enhances the ability to provide information to assist member governments and nonprofits located within the region with applications submitted to ARC. The usage of ARC funds allows these communities and non-profit organizations to leverage their resources (which are usually very limited) but gain results that greatly benefit the northwest region.

The LDD's revolving loan fund program is an economic tool that continues to be used in assisting small to midsize businesses in the region in need of additional financing when their total needs cannot be met by one financial institution. The ability to assist companies is one effort of the LDD that allows companies to create jobs or retain jobs in our region. Annually the LDD participates in a financial seminar with representatives of the UNA Small Business Department, Rural Development and the Southern Development Council to increase awareness of the revolving loan fund program to members of the financial community.

As well as utilizing ARC funds the LDD works with the member governments when funding opportunities become available through agencies such as the Alabama Department of Community and Economic Affairs (Community Development Block Grants, Economic Development Grants, Float Loan Funds); USDA Rural Development, Environmental Protection Agency, Department of Transportation, Special Appropriations Program and the Federal Emergency Management Agency. Many of our member governments utilize Land and Water Conservation funds to improve indoor and outdoor activities throughout the region. The NACOLG staff also assists in the preparation of applications for fire and rescue departments.

As opportunities to use renewable energy sources come available our member governments are interested in utilizing this source of funding to decrease costs. In an effort to capitalize on this source of funding for its member communities the LDD had a staff member attend and become certified in Leadership in Energy and Environmental Design (LEED).

The LDD facilitates meetings with local elected officials and citizens to continue development of the Northwest Alabama Rural Planning Organization (RPO).

Member governments use services of the LDD staff to develop community long range plans, comprehensive plans, tourism development plans, downtown revitalization plans, redistricting plans, hazard mitigation plans and homeland security plans.

The LDD will continue to work with member governments in the improvement of the northwest region's economic and social improvement as citizens enhancing the State of Alabama.

West Alabama Regional Commission (WARC) serves the Appalachian counties of Bibb, Fayette, Hale, Lamar, Pickens, and Tuscaloosa. The region also includes Greene County, a non-ARC county. For FY 2014, Hale and Pickens counties are distressed, while, Bibb, Fayette and Lamar are At-Risk. Tuscaloosa maintains its Transitional status.

In addition to the ARC program, the LDD administers the Economic Development Administration program, the Delta Regional Authority program, the Metropolitan Planning Organization for the Tuscaloosa metropolitan area, the Rural Planning Organization for the rural counties, the Revolving Loan Fund Program, the Area Agency on Aging programs, and various ad hoc projects for local governments such as the Community Development Block Grants, Land and Water Conservation Fund projects, FEMA and EPA projects.

As the West Alabama region slowly recovers from the devastating April 2011 tornadoes, a number of opportunities for WARC's participation have opened up in the recovery process. Construction began on the $75 million dollar Mercedes Benz expansion. The MBUSI Logistics Center is slated for completion in late 2013 and will streamline logistics operations and add 600 new jobs. MBUSI currently employs approximately 3,000 and produces the M-Class and GL-Glass sport utility vehicles as well as the R-Class crossover. The hiring process has begun for 2014 production of the next-generation C-Class sedan that will employ 1,000. The University of West Alabama has begun implementation of a $2.2 million Department of Labor grant to address workforce development needs and has added an automotive training component to the project. The EDGE business incubator opened in downtown Tuscaloosa and also houses the Alabama Entrepreneurial Institute (AEI), the Alabama Entrepreneurial Research Network (AERN) and the Small Business Administration (SBA). WARC was awarded a two-year Economic Development Administration disaster recovery grant in 2012. The funding is being utilized to train area business personnel in developing a business continuity plan in the event of another disaster. Staff continues to participate in redevelopment efforts in the

Holt community in Tuscaloosa County. The LDD has also been active in seeking ARC funding for storm shelters and related equipment in a number of communities throughout Pickens County that have also applied for FEMA funding. In addition, a long process for building a FEMA-funded storm shelter/senior center in Brent in Bibb County is getting closer to fruition.

Upgrading and expanding water and sewer infrastructure throughout the West Alabama region remains a top priority for the LDD as providing these services in remote rural areas with sparse populations is a challenge for local governments and water and sewer authorities.

The LDD continues to participate in the Black Belt Commission, a 12-county state-sponsored initiative to improve conditions in this economically poor area of the state. Black Belt counties in the West Alabama ARC region are Hale and Pickens. WARC's role is focused on managing the communications, families, education, and small business development committees. The committees extend beyond regional lines with members representing counties across the Black Belt area of the state.

The West Alabama Revolving Loan Fund is an on-going program administered by the LDD. Due to the slow economy and the lack of lending by financial institutions, the LDD has seen more activity by way of requests for loan applications. These loan funds have leveraged close to $23 million and created or retained 1,010 jobs in the region.

Additional activities include the annual update of the Comprehensive Economic Development Strategy (CEDS) required by the Economic Development Administration. The CEDS is posted on the LDD's website so that interested individuals and communities may have ready access to a wealth of data on the region. The LDD also updates and maintains the Regional Directory of federal, state and local officials including U.S. Senators and Representatives, the governor and cabinet, state legislators, municipal and county officials, and various other personnel. The CEDS and the Regional Directory are posted on WARC's website along with many other documents that are pertinent to the region. In addition, the LDD updates data on each water and sewer system in the region. The data include maps, number of customers, water sources, type and capacity of water storage facilities, water usage, miles of lines, type of treatment, rates, and contact information.

Regional Planning Commission of Greater Birmingham (RPCGB) serves Blount, Chilton, Jefferson, St. Clair, Shelby and Walker counties.   This LDD continues to assist its local governments with planning, technical assistance, and implementation.

The Building Communities Program, primarily funded by transportation dollars, provides affordable planning and technical solutions for the intelligent design and adaptation of community infrastructure in order to best serve residents. Programmatic goals are the promotion and preservation of (1) economic development, (2) land use, transportation and community facilities and services, (3) housing, (4) natural and cultural resources, and (5) intergovernmental coordination.

With the support of these funding programs and community contracts, the planning staff continues to help communities with downtown revitalization planning, strategic planning, master plans, neighborhood plans, and implementation tools like zoning ordinances and subdivision regulations. Additionally, the planning staff has begun to focus on land banks, vacant property utilization, and the widespread use of smart code and sustainability principles.

The economic development staff continues to support communities with its revolving loan fund programs, small business assistance, grant assistance and management, and the regional Comprehensive Economic Development Strategy (CEDS), and supporting the regional development goals, which are:
- To foster regional cooperation.
- To develop and maintain a strong, competitive workforce.
- To promote relationships among the public, private, and nonprofit sectors.
- To establish a well-connected, accessible, multi-modal highway, freight and public transportation network.
- To provide optimal infrastructure in order to support current industries as well as attract new industries.
- To market and improve regional assets.
- To cultivate a competitive, attractive quality of life.

RPCGB continues to provide business funding through its Revolving Loan Fund. Since its launch in 200, the RLF has closed over 170 loans totaling over $6.7 million, leveraging over $77 million in private funding and creating or retaining approximately 1000 jobs. The staff provides small business assistance by linking businesses with banks and partnering with the Small Business Administration (SBA) and other business resources in the region. The staff also maintains an accounts receivable lending program for incubators in the region. These notes are generally low-cost, short-term micro loans that use receivables as collateral. The staff continues to provide its member governments with assistance in matching funding needs with sources and managing reporting during and after project completion.

RPCGB provides outreach to its rural communities through the Heart of Alabama Rural Planning Organization (HARPO). This organization helps to facilitate the identification and prioritization of rural needs throughout the region through quarterly meetings held in each of the four rural counties, which are Blount, Chilton, St. Clair, and Walker Counties. The LDD continues to provide comprehensive data and mapping services. RPCGB provides traffic modeling, data forecasting, demographics and demographic estimates, redistricting, zoning, and fulfills various mapping needs. Additionally, the data and mapping staff has focused on the distribution of and education on the new Census data and providing redistricting services to the member governments. RPCGB continues to administer air quality programs like CommuteSmart and Alabama Partners for Clean Air, which provide the region with incentives and assistance to improve air quality and reduce congestion on the roadways.

East Alabama Regional Planning & Development Commission (EARPDC): (Calhoun, Chambers, Cherokee, Clay, Cleburne, Coosa, Etowah, Randolph, Talladega, and Tallapoosa Counties) are served by the East Alabama Regional Planning and Development Commission (EARPDC). EARPDC continued to increase leadership and administrative capabilities of local government officials through training seminars held periodically in association with the monthly meetings of the EAC Board of Directors. EARPDC also encouraged local officials, staff, and boards to participate in statewide conferences and training sessions by mailing brochures to its mailing list. EARPDC also maintains a website with similar information.

EARPDC has pursued every opportunity to offset the cost of improving the water, sewer and road systems in the region. EARPDC was instrumental in the development of a $1.38 million dollar infrastructure project which will enable the Anniston Water Works and Sewer Board to construct a 24-inch water main to serve Honda Manufacturing, creating 50 new jobs and leveraging $115 million in private investment. The project consists of ARC, CDBG and Local funds and will create 50 new jobs, stabilize 4,000 jobs in the region and leverage $115.6 million in private investments. EARPDC continues to pursue other grant opportunities and inventory water systems of the region on a county-by-county basis, producing GIS maps showing each system's water lines, sources, and storage facilities.

EARPDC was awarded a $555,000 HUD Sustainable Communities Regional Planning Grant. EARPDC and its partners will use these funds to evaluate community status with relation to HUD's six Livability Principles and to identify projects that will help make the region more user-friendly for people of all ages, incomes and abilities.

The LDD continued to pursue grant opportunities to improve infrastructure to Brownfield areas as well as Greenfield areas. Two closed military installations within the region have been turned over to their respective local communities, and intensive efforts are underway to create as many jobs as possible through the redevelopment of these properties.

In preparation for the closing of Fort McClellan in Calhoun County, grants were obtained to aid in the establishment of a small business incubator, which has created hundreds of jobs since it opened in 1998. The Eastern Bypass, which had existed on paper only for over 20 years, finally found funding through the American Reinvestment and Recovery Act (ARRA), and is almost complete. It currently provides an additional route between McClellan and Interstate 20, which should serve to support the development of McClellan. It is scheduled to be finished in 2014, when it will complete a major segment of a proposed loop around the Anniston-Oxford urban area.

Since 1941, the Anniston Army Depot, the largest employer in Calhoun County, has housed 7% of the nation's chemical weapons. In 2003, the Army began destroying these stockpiles, using a high-temperature incineration technology. This process employed almost 1100 highly skilled workers. This mission was completed in the fall of 2011, and

efforts are underway to retain the displaced workers in our community. In March, EARPDC was awarded a $600,000 grant from the Office of Economic Adjustment of the Department of Defense to do just that. EARPDC is working with the Calhoun Chamber of Commerce and other stakeholders to not only find jobs for these workers with our local industries, but also to develop a long-term economic development strategy for the area.

With three major automotive manufacturers and the new Kia plant just across the Georgia border, Alabama continues to be a hub for the automotive industry and its suppliers. New suppliers continue to locate in the area, the latest being M-Tek, which has purchased a spec building in Talladega and plans to create 200 new jobs over the next 3 years.

South Central Alabama Development Commission (SCADC): serves Bullock, Butler, Crenshaw, Lowndes, Macon, Montgomery, and Pike Counties. Macon County, with a population of 21,452 (2010 U.S. Census) is the only Appalachian county in Local Development District 5 and is an ARC designated "distressed" county. Plagued by higher than average unemployment, high family poverty, and low per capita income rates, Macon County has undergone and is experiencing efforts to remedy these troubling figures. During FY 2013, various projects received and continued to receive ARC support and funding. Each of these projects came about as a result of implementing the goals and objectives identified in the State's Annual Strategy Statement, as well as other local plans and strategies. Economic gains included tourism efforts, industrial development and infrastructural improvements. ARC funds made available to the Federal Highway Administration in the amount of $351,888, combined with local funds of $143,729 will provide total project funds of $495,617 to make improvements of roadways for Tysonville Loop and Tysonville Road in northwest Macon County, providing key access to 280 residents and 10 business and industrial sites. ARC funds of $200,000 combined with local funds of $56,549 are replacing 1920's era four inch water main with a six inch ductile iron water main in Notasulga. Industrial development, housing and infrastructure improvements and tourism efforts have contributed to economic progress in the Macon County and the region. Tourism promotion has been enhanced through the development of new cultural and recreational areas and walking tours. The most recent improvement is the Tuskegee Airmen National Historical Site in Tuskegee, which expects to attract more than 1 million visitors each year. Hyundai Motor Manufacturing, just south of Montgomery, continues to have a positive impact on the area's economy, creating approximately 3,500 new jobs and $1.5 billion in investment. SCADC continues to play an expanding role in development within the district as a rural transportation planning organization and as a key player in workforce development.

In addition to the above projects, SCADC continued to provide quarterly and annual reports and plan updates on behalf of Macon County for technical assistance funding received by the Alabama Department of Economic & Community Affair, Appalachian Regional Commission and the Economic Development Commission. As well, SCADC's statewide planning initiatives and ongoing regional programs also benefit Macon County as a whole.

Central Alabama Regional Planning & Development Commission (CARPDC) serves Autauga, Elmore and Montgomery Counties. Elmore County is in Alabama's ARC Region and is designated as a Transitional county for FY 2014. CARPDC serves Elmore county and its seven municipalities and assists member governments with a number of activities on a regular basis, from budgetary to human services and policies to operational:

- Planning Services – zoning, sub-division regulations and comprehensive plan
- Transportation Services - Rural Transportation Organization (RPO) membership
- Annexation – Assist with legal process, provide studies and determine public benefits
- Voting District Redistricting – examining current voting districts and assisting developing new districts based on census data and population changes.
- Grant Assistance – exploring opportunities, writing, development and administration
- Staff Training – provide technical assistance to staff, working with citizen boards – planning commission and zoning appeals and workshops on fundamentals on duties and responsibilities, human resources and public meetings.
- Economic Development assistance – provides technical assistance, revolving loan funds and grant assistance.

As an agency, we explore opportunities for the member governments to improve the quality of life for their citizens. The types of projects conducted range from community development (improving the water, sewer and landscaping), economic development (revolving loan program to grant assistance) and operational (policies, regulations and guidelines). Over the past years ARC, CDBG and EDA grants were awarded to local governments to provide infrastructure improvements for economic and community development as well as strategic planning, capacity building and cultural, recreational and other asset based projects.

The CARPDC has begun to inventory water systems of the region on a county-by-county basis, producing GIS maps showing each system's water lines, sources, and storage facilities. This is part of a state initiative to map all of Alabama's water systems. The Commission also, has a Revolving Loan Fund (RLF) to provide a locally controlled and flexible source of capital to supply businesses and entrepreneurs with gap financing for start-ups and expansion in the effort to grow, create and retain jobs and improve the local economy. Since its inception in 2002, the RLF has loaned over $1,000,000 and works with the Small Business Administration and other entities in the continued operation of the fund.

The **North Central Alabama Regional Council of Governments (NARCOG)** serves Cullman, Lawrence and Morgan Counties which are all located in Alabama's ARC Region. Each ARC County served by NARCOG is designated as Transitional for FY 2014. The director and staff of NARCOG provide technical assistance to local governments in the preparation and submission of grants from various funding sources, including the Appalachian Regional Commission, Economic Development

Administration, Community Development Block Grant, Land and the Water Conservation Fund.   NARCOG provides grant and technical assistance to fire and rescue departments in applying for grants through the U.S. Department of Homeland Security Grant Program. As part of its planning program, NARCOG assists its local governmental entities in preparing comprehensive, downtown revitalization and hazard mitigation plans; zoning ordinances, subdivision regulations and various other studies on a contract basis as requested. NARCOG can also provide technical assistance to local governments in regard to zoning and subdivision issues or questions.

Sustained economic and community development to create and sustain jobs is a priority in the Districts planning and programming. A Revolving Loan Fund (RLF) provides access to capital for small and medium-sized businesses, working with banks and private lenders in providing loans that a bank may not ordinarily consider. NARCOG's Revolving Loan Fund has loaned over $7.6 million dollars, leveraging $38 million in investment and creating over 1,400 new jobs. NARCOG leadership and staff were instrumental in the development and successful funding of the Mallard Fox West Water System Improvements Project in Lawrence County. The $1.1 million project combined ARC, CDBG, Alabama Department of Commerce (DOC) and local funds from Lawrence County. This project will replace 12 inch water main pipe with 20 inch diameter pipe to support the needs of a new industry which will provide approximately 150 jobs in the Development District and leverages $55 million in private investment.

Central Alabama Regional Council of Governments (NARCOG) provides technical assistance to local governments in the preparation and submission of grant applications and the management of grants. Grant programs on which staff assists include grants from and other programs. The staff works with local governments in studying the feasibility of project ideas and

Top of Alabama Regional Council of Governments (TARCOG): DeKalb, Jackson, Limestone, Madison, and Marshall Counties are served by the Top of Alabama Regional Council of Governments (TARCOG). The District had a 2011 estimated population of 644,312.   TARCOG helps local governments improve the quality of life for the region's more than 550,000 residents. The Council does this by obtaining funding for local government assistance, coordinating local governments' responses to regional issues, and providing a wide range of services to the region's governments and residents. TARCOG helps member governments work together to address issues best solved cooperatively, rather than independently. TARCOG also provides services and technical assistance to different communities that are unable to provide their own personnel due to funding issues. The services are in three program areas: Aging, Economic Development, and Planning. TARCOG strives to be an advocate for, and partner with, the governments and citizens of the Region to create opportunities for self-sustaining economic development and improved quality of life. Operating under this mandate, TARCOG provides a wide array of results oriented services to local governments in the region, including assistance with governmental functions such as economic development and job creation as well as project funding associated with community development.

In addition to TARCOG's role as an ARC Local Development District, the council is an Economic Development District (EDD) of the U. S. Economic Development Administration. As such, TARCOG maintains and updates a Comprehensive Economic Development Strategy (CEDS) for the region. The status of TARCOG as an EDD makes member government projects eligible to receive EDA funding. Through EDA, funding is available for infrastructure improvements based on job creation (CEDS). Working with local banking sources and area economic development developers, TARCOG operates a local Revolving Loan Fund (RLF). The RLF helps local businesses finance expansions or obtain start-up capital from market sources. The RLF is administered at the regional level, making time-consuming applications to state or federal agencies unnecessary. Job creation and associated economic development are goals of the program.

TARCOG offers a full range of services to help local governments finance development projects. TARCOG informs local governments of funding sources, prepares their grant or loan applications, and helps to administer funded projects to insure compliance with federal and state requirements. TARCOG has statistics to help governments document the need for projects. Funds from grants and loans help communities lure employers, provide water and sewer service to residents, foster tourism, improve transportation, and provide recreational facilities and opportunities.

TARCOG serves as the region's area-wide clearinghouse. The Council coordinates information about available federal aid and distributes that information to local governments. The TARCOG Board of Directors also reviews local government applications for funding to avoid conflicts and duplications.

Regional impacts and opportunities for FY 2014 include Hudson-Alpha's ongoing expansion of biomedical research efforts and facilities in Huntsville/Madison County, are still projected to have created an area employment increase of over 10,000 direct and spin-off jobs by the end of 2013. Additionally, Toyota's announced increase in its engine production capacity and employment at the Huntsville facility is also a strong area "cluster" employment boost. The LDD continues to work with the Town and the County on an Agency prepared ARC and CDBG funded project to upgrade the industrial fire protection system at Elkmont's ID Park. This upgrade will both insure the continuity of existing jobs, and induce creation of 275+ jobs. TARCOG continued the Rural Transportation Planning Program (RPO) for the District, developing into the seventh year of a full, ongoing multi-year coordinated effort. By adding EDA CEDS guidelines to the program, the District expects to create an environment where efficient transportation linkages promote industrial growth cluster patterns. This initiative continues to have a high potential for giving the District vital marketing advantages, and induce future economic growth. Additionally, the LDD is administering a CDBG USDA funded project for a new public library in the **Town of Triana** and assisted in the submission and successful funding of an ARC Project for Computer Technology for the library.

Strategies for Appalachian Alabama

Strategic Goals
One of the key differences between ARC and other federal institutions is in the discretion given to the 13 states in determining how their allocated funds will be spent. Funds must be spent in accordance with ARC guidelines, on projects benefiting those counties designated as a part of the Appalachian Regional Commission's service area, and must meet at least one of ARC's four strategic goals and Alabama's state objectives. Specific strategies the State of Alabama may pursue to achieve our development goals are set forth below:

ARC Goal One: **Increase job opportunities and per capita income in Appalachia to reach parity with the nation.**

Strategic Objective 1.1: Foster Civic Entrepreneurship
State Strategy 1.1.1: Support training programs to increase the proficiency of business development practitioners, economic development officials, and international trade professionals.

State Strategy 1.1.2: Encourage local and regional initiatives that assist communities in developing plans for more efficient and sustainable use of energy.

State Strategy 1.1.3: Support local efforts to form partnerships, both short-term and long-term, between local governments, nonprofit community-based groups, and private businesses for economic and community improvement.

Strategic Objective 1.2: Diversify the Economic Base
State Strategy 1.2.1: Provide capital funding for the development and expansion of small business incubators.

State Strategy 1.2.2: Encourage and support revolving loan fund capitalization efforts for Local Development Districts.

State Strategy 1.2.3: Support efforts to improve access to capital for small and medium-sized businesses.

State Strategy 1.2.4: Promote job creation through investment in the development of renewable energy resources throughout Appalachian Alabama.

Strategic Objective 1.3: Enhance Entrepreneurial Activity in the Region
State Strategy 1.3.1: Provide support from programs that seek to establish an entrepreneurial climate throughout Appalachian Alabama.

State Strategy 1.3.2: Support programs and initiatives that provide training, assistance, and other resources to entrepreneurs for the creation and expansion of local businesses.

State Strategy 1.3.3: Support programs that encourage and teach youth entrepreneurship.

Strategic Objective 1.4: Develop and Strengthen Strategic Assets for Local Economies
State Strategy 1.4.1: Support local efforts to develop and enhance the assets of Appalachian Alabama to increase the level of domestic and international visitation.

State Strategy 1.4.2: Support infrastructure development to increase tourism, based on the economic impact of the development.

State Strategy 1.4.3: Support training programs and workshops on tourism development for local areas.

State Strategy 1.4.4: Support the development, production, and use of local assets for the energy needs of Appalachian Alabama.

Strategic Objective 1.5: Increase the Domestic and Global Competitiveness of the Existing Economic Base

State Strategy 1.5.1: Support programs that will increase goods and services exported from Appalachian Alabama.

State Strategy 1.5.2: Encourage the use of e-commerce applications by small and medium-sized enterprises to improve their supply, manufacturing, and distribution chains.

State Strategy 1.5.3: Support initiatives that promote increased foreign direct investment in Appalachian Alabama.

State Strategy 1.5.4: Support technical assistance to businesses and organizations for achievement of operational efficiencies through energy conservation.

ARC Goal Two: Strengthen the capacity of the people of Appalachia to compete in the global economy.

Strategic Objective 2.1: Foster Civic Entrepreneurship

State Strategy 2.1.1: Support youth leadership development efforts through leadership training, experience-based education programs, apprenticeships, youth-operated enterprises, and cooperative education activities.

State Strategy 2.1.2: Support efforts to establish ongoing local leadership training programs.

Strategic Objective 2.2: Enhance Workforce Skills through Training

State Strategy 2.2.1: Strengthen programs that provide basic skills and workforce training to increase employee capabilities, improve job skills, and upgrade marketable skills.

State Strategy 2.2.2: Support workforce readiness programs that provide skills necessary to acquire jobs.

State Strategy 2.2.3: Strengthen basic skills programs in the public school system and establish specific competency requirements.

State Strategy 2.2.4: Support programs and mobilize resources to increase adult literacy.

State Strategy 2.2.5: Support programs and initiatives that provide for career planning and placement.

State Strategy 2.26: Strengthen programs that provide or enhance science, technology, engineering and mathematics (STEM) workforce training to increase employee capabilities, improve job skills, and upgrade marketable skills.

State Strategy 2.27: Support the planning and development of Regional Skills Alliances (RSAs) that provide workforce training for established industry clusters.

Strategic Objective 2.3: Increase Access to Early Childhood Education and Educational Opportunities

State Strategy 2.3.1: Support initiatives that provide opportunities for a quality preschool experience through parent support programs, quality childcare and preschool programs.

State Strategy 2.3.2: Assist communities in developing programs and services for families and caregivers of young children that will ensure that all children are healthy and prepared to succeed in school.

State Strategy 2.3.3: Support educational programs in K-12 that will expand and improve current programs.

State Strategy 2.3.4: Support programs that improve teacher quality by increasing professional development programs.

State Strategy 2.3.5: Support programs that will expand the use of telecommunications in education, especially K-12.

State Strategy 2.3.6: Support initiatives that will provide technical assistance to communities on long-term financing, and resource identification for the continuation of exceptional programs.

State Strategy 2.3.7: Support initiatives that will help parents and caregivers learn positive skills to help them meet the physical, intellectual, social, and emotional needs of all children.

State Strategy 2.3.8: Support programs that promote the use of ground source heating and cooling with the installation of geothermal heat pumps in K-12 schools.

State Strategy.2.3.9: Support programs that will increase energy efficiency in schools, especially K-12.

State Strategy 2.3.10: Support program to train and educate teaching professionals and younger Alabamians

State Strategy 2.3.11: Support programs that advocate the environmental and energy consumption reduction benefits of recycling.

Strategic Objective 2.4: Increase Educational Attainment and Achievement

State Strategy 2.4.1**:** Support initiatives that promote lifelong learning.

State Strategy 2.4.2: Support programs that reduce the school dropout rate in our Appalachian counties to equal or better than the national average.

State Strategy 2.4.3: Utilize telecommunications, computers, and other technological capabilities to deliver education and training programs.

State Strategy 2.4.4: Strengthen programs that provide or enhance science, technology, engineering and mathematics training to increase employee capabilities, improve job skills, and upgrade marketable skills.

State Strategy 2.4.5: Continue to improve public education through the implementation of statewide reforms.

Strategic Objective 2.5: Provide Access to Health-Care Professionals

State Strategy 2.5.1: Support educational programs that train health-care professionals who will locate in Appalachian Alabama.

State Strategy 2.5.2: Support programs to provide primary health care to Appalachian citizens.

State Strategy 2.5.3: Support the development of health career education pathways linking students at all grade levels – primary, secondary, post-secondary, and post-graduate – and encouraging them to pursue health career training in Appalachian Alabama.

State Strategy 2.5.4: Pursue healthcare workforce development initiatives that tailor training programs to the needs of workers, patients, and healthcare institutions in rural communities and other underserved areas.

State Strategy 2.5.5: Invest in the physical infrastructure needed to expand and sustain primary health care services, including buildings, equipment, telemedicine facilities, and electronic medical records systems.

State Strategy 2.5.6: Finance the direct provision of primary care and specialty clinical services, but only in cases where start-up operations or emergencies require the short term support needed to gain sustainability.

Strategic Objective 2.6: Promote Health through Wellness and Prevention

State Strategy 2.6.1: Bring the infant mortality rate into parity with the nation.

State Strategy 2.6.2: Support programs to strengthen prenatal and neonatal health care and to provide education programs to reduce the infant mortality rates.

State Strategy 2.6.3: Support programs to prevent teen pregnancy.

State Strategy 2.6.4: Support projects that expand access to health services through telemedicine applications.

State Objective 2.7: Promote Improved Health Through Community-Based Activities

State Strategy 2.7.1: Develop the public health infrastructure needed to promote healthy lifestyles and reduce the risk factors that lead to poor health.

State Strategy 2.7.2: Build community-based partnerships (among citizens, local officials, schools, business, health departments, and medical professionals) as needed to encourage local health initiatives addressing diabetes, obesity, cancer, infant mortality, substance abuse, or other conditions that disproportionately affect the Appalachian region.

State Strategy 2.7.3: Educate the public on lifestyle changes that can support improved health, by providing proven health and wellness programs and testing new approaches crafted to the Appalachian region.

State Strategy 2.7.4: Work with community officials to pursue capital investments and local policy changes linking health conditions and economic strength, such as the development of farmers markets and walking tracks.

ARC Goal Three: Develop and improve Appalachia's infrastructure to make the Region economically competitive.

Strategic Objective 3.1: Foster Civic Entrepreneurship

State Strategy 3.1.1: Encourage local leaders to explore innovative, cost-effective arrangements for delivery of services, including service consolidations.

State Strategy 3.1.2: Provide training, consultation, and financial support for local leaders and organizations to build capacity to address infrastructure challenges.

State Strategy 3.1.3: Leverage partnerships and regional efforts to enhance the energy efficiency of the Region's infrastructure investments.

State Strategy 3.1.4: Support the utilization of high-quality geospatial data for use in planning infrastructure improvements in Appalachian Alabama.

State Strategy 3.1.5: Promote the coordination of geospatial data gathering and sharing activities among public agencies across Appalachian Alabama.

State Strategy 3.1.6: Encourage adherence to National Spatial Data Infrastructure standards when developing geographic information systems.

State Strategy 3.1.7: Support strategic planning initiatives for local organizations and agencies to capitalize on economic development opportunities created by the Appalachian Development Highway System.

Strategic Objective 3.2: Build and Enhance Basic Infrastructure

State Strategy 3.2.1: Support job creation and retention by investing in water, sewer, site development, industrial access roads, and other physical infrastructure to serve new and expanding industrial and commercial development.

State Strategy 3.2.2: Pursuant to ARC's residential service policy, ensure public health, regulatory compliance, and economic opportunity by providing new and existing customers with safe drinking water. The State will give priority to water projects that serve areas with documented health hazards.

State Strategy 3.2.3: Pursuant to ARC's residential service policy, ensure public health, regulatory compliance, and economic development by providing new and existing customers with wastewater disposal and treatment services. The State will give priority to wastewater projects that serve areas with documented health hazards.

State Strategy 3.2.4: Support the development and construction of strategic community facilities that will enhance opportunities for job creation and retention.

State Strategy 3.2.5: Encourage and support the design and construction of energy-efficient public facilities.

Strategic Objective 3.3: Increase the Accessibility and Use of Telecommunications Technology

State Strategy 3.3.1: Support initiatives that implement Alabama's Strategic Plan for Telecommunications in Appalachia.

State Strategy 3.3.2: Support efforts to link new and existing telecommunication networks.

State Strategy 3.3.3: Support training in the public, private, and non-profit sectors in Appalachian Alabama in the use of new technologies and applications.

State Strategy 3.3.4: Support projects that will evaluate existing architecture, infrastructure and equipment or facilitate the development of new applications and networks.

State Strategy 3.3.5: Support projects that will assist in the development of architecture infrastructure and equipment for new networks.

State Strategy 3.3.6: Support promising and innovative telecommunications applications and programs.

State Strategy 3.3.7: Encourage strategic investment in telecommunications infrastructure, including the use of conduit for fiber optic cable in basic infrastructure projects, that increases local, regional, and global connectivity.

State Strategy 3.3.8: Develop "smart parks" with telecommunications infrastructure, which will meet the needs of information industries.

Strategic Objective 3.4: Build and Enhance Environmental Assets

State Strategy 3.4.1: Support programs to raise awareness and leverage support for the reclamation and reuse of brownfields properties in industrial areas and mine-impacted communities.

State Strategy 3.4.2: Encourage eco-industrial development that can responsibly take advantage of the Region's natural-resource assets.

State Strategy 3.4.3: Support regional planning and economic development policies and programs that promote good stewardship of the Region's natural resources.

State Strategy 3.4.4: Support programs that encourage planning for, and development of, healthy and livable communities.

State Strategy 3.4.5: Support programs that promote the use of landfill gas and biofuels to generate renewable energy.

State Strategy 3.4.6: Support programs to decrease energy usage in public buildings

State Strategy 3.4.7: Support programs that advocate building energy code adoption.

State Strategy 3.4.8: Support programs to educate consumers in energy efficiency and renewable energy practices and methods.

State Strategy 3.4.9: Support programs to stimulate consumer demand and supplier innovation through training and education for residential industry professionals, building professionals, and consumers.

Strategic Objective 3.5: Promote the Development of an Intermodal Transportation Network

State Strategy 3.5.1: Work with state and local partners to identify and develop intermodal transportation facilities.

State Strategy 3.5.2: Support programs to encourage the expanded use of existing intermodal facilities.

State Strategy 3.5.3: Extend rail spurs into industrial areas, with a priority on those that serve multiple sites.

ARC Goal Four: Build the Appalachian Development Highway System to reduce Appalachia's isolation.

Strategic Objective 4.1: Foster Civic Entrepreneurship

State Strategy 4.1.1: Encourage long-term strategic planning by local and regional leadership to take full advantage of the economic and community-building opportunities of the Appalachian Corridor Development.

State Strategy 4.1.2: Support local and multi-jurisdictional forums to promote communication and mutual understanding, and resolution of barriers to completion of the remaining ADHS miles.

Strategic Objective 4.2: Promote On-Schedule Completion of ADHS Corridors X and V

State Strategy 4.2.1: Support efforts to complete Corridor X.

State Strategy 4.2.2: Support efforts to complete Corridor V

State Strategy 4.2.3: Encourage the use of conduit for deployment of telecommunications technology.

Strategic Objective 4.3: Coordinate Work on ADHS State-Line Crossings

State Strategy 4.3.1:Encourage the coordination of technical information, funding disbursements, and construction scheduling between adjoining states to facilitate completion of state-line crossings of ADHS corridors.

Future Program Initiatives for FY2014

Available Funds
It is anticipated that ARC Alabama in FY14 will receive an amount similar to that of FY13. At this time, spending is expected to follow the historical trend from prior years, with spending allocated across all of ARC's goal areas.

Special Initiatives
In the past, ARC's Federal Co-chair has periodically singled out a special opportunity or strategy to complement the Commission's proven methods of increasing the economic attainment of the Region. These regional initiatives have historically focused on areas such as telecommunications, leadership development, international trade and entrepreneurship, and asset-based economic development. Due to budget constraints and a reduction in funding, these regional initiatives have now become a part of the area development program within each state and projects within these areas are left to the discretion of each state.

Asset-based Economic Development
Asset-based development leverages what is unique to an area, playing to community strengths. By contrast, support for the strengthening of generic weaknesses in a region's economy does not fit well into an asset-based development framework.

Proposals for funding asset-based economic development projects must demonstrate that they will contribute to the achievement of the goal.

In identifying the advantages of the Region as a whole, four broad opportunities for development become apparent. These opportunities involve the leveraging of cultural, natural, community-based, and structural assets. Examples of development strategies based on these assets are given below.

- **Cultural -** Building *creative* economies by capitalizing on traditional arts, cultural heritage, and new and existing programs for attraction of visitors, both domestic and international, has paid off for a number of regions across Alabama and the Appalachian Region. These strategies have included creation of heritage trails, development of apprenticeship programs, use of traditional retail venues and electronic commerce to market indigenous products, and highlighting the Region's music and narrative traditions.
- **Natural –** Appalachian Alabama has long been known for its natural assets, and the gateway communities leading to them stand to benefit greatly from increased visitation and spending. A sustainable, asset-based development strategy for these natural resources maintains their character while allowing for greater enjoyment of outdoor activities such as fishing, camping, white-water rafting, and rock climbing. Specialized agricultural development, including the processing of specialty food items, fish farming, and organic farming adds value to an activity that has

traditionally been a primary economic pursuit. Getting the most from the Region's productive hardwood forests by maximizing sustainable timber harvesting and value-added processing can create jobs and local wealth.

- **Leadership/Community –** It is often said that a community's greatest assets are its organizations and its residents, especially those that take leadership roles in helping the community thrive and prosper. A comprehensive asset-based strategy builds community capacity, encourages citizen involvement, and fosters collaboration among business, government, nonprofit, and philanthropic organizations to act as catalysts for community and economic development. Successful leadership/civic capacity projects allow a community to rise up to meet the increasing demands of growth and change.

- **Structural -** Appalachian communities can turn local liabilities into opportunities by focusing on strategies such as brownfield redevelopment, adaptive reuse of real estate, and downtown revitalization. Converting overlooked and underused facilities into industrial parks, business incubators, or educational facilities has shown positive results across Appalachia. Throughout the Region, communities and businesses are integrating development and management practices to leverage what they have—historic buildings, abandoned railroads, and old mines—to build and enhance economic vitality.

Telecommunications, Technology, Workforce Training
The Alabama Department of Economic and Community Affairs (ADECA) will seek to increase the use of technology, distance learning, telemedicine, video arraignment, economic development, and other telecommunications within Appalachian Alabama. The Alabama ARC Program will continue to work with regional and local initiatives and projects in effort to provide telecommunication, broadband and fiber optic access and technology opportunities to underserved areas of Appalachian and continue project development in technology and technology education which empowers the citizens of Appalachian Alabama to compete in the global economy. Workforce development and training efforts will focus on high growth and high demand occupations, including green and renewable energy related occupations and industrial technology and maintenance specialties related to Alabama's specific industrial sectors, including auto manufacturing.

Energy Blueprint
The Appalachian Regional Commission has developed an Energy Blueprint for the Region, which will provide a strategic framework for the Commission to promote new energy-related job opportunities by stimulating sustainable energy production efficiency and conservation efforts throughout the region. The blueprint will assess the current energy landscape and examine both non-renewable and renewable energy opportunities based on the competitive potential of Appalachia's energy resources and current and emerging energy technologies. The blueprint will identify the Appalachian Region's energy assets and the potential for developing energy-related job opportunities in the Region based on the competitive potential of these assets.

Four areas to be addressed will be: non-renewables, renewables, jobs and energy, and energy efficiency and conservation.

The energy sectors are:

I. **Non-Renewables**
    A. Coal
        1. coal gasification and liquefaction
        2. carbon capture and sequestration research and development
        3. mine-tailing clean-up and energy production
    B. Oil
        1. enhanced oil recovery methods
        2. oil shale resources
    C. Natural Gas (and natural gas recovery)
    D. Hydrogen production from non-renewable sources
    E. Market Dynamics and Environment Costs

II. **Renewables**
    A. Wind
    B. Solar
    C. Hydro
    D. Biomass/Biofuels
    E. Geothermal
    F. Waste to energy
    G. Hydrogen/Fuel cells
    H. Market Dynamics and Environmental Costs

III. **Energy Efficiency**
    A. Industry
    B. Residential
    C. Commercial
    D. Transportation
    E. Institutions

The Alabama State Energy Office (SEO), a division of the Alabama Department of Economic and Community Affairs, (ADECA), will direct the State Energy Program (SEP) activities toward changing the behavior of participants in energy markets by increasing awareness of energy efficiency products, services and practices, supporting programs that contribute to a reduction in U. S. imported oil dependency and enhancing the resiliency of our energy system. Alabama's goals and objectives are:

- Increase the use of renewable energy and promote energy efficiency in Alabama
- Promote the production, distribution and use of alternative transportation fuels, alternative fuel vehicles and the use of biofuels in Alabama
- Promote energy efficiency and renewable energy technology
- Promote carpools, vanpools, ridesharing, and public transportation
- Advocate energy code adoption for residential and commercial construction
- Promote the use of ground source heating and cooling in K-12 schools

- Decrease energy usage in public buildings
- Advocate building energy code adoption
- Educate consumers in energy efficiency and renewable energy practices and methods
- Stimulate consumer demand and supplier innovation through training and education for residential industry professionals, building professionals, and consumers
- Train and educate teaching professionals and younger Alabamians
- Advocate the environmental and energy consumption reduction benefits of recycling
- Reduce impacts of energy shortages and/or disruptions

The Alabama strategy for implementing the State Energy Program is to foster programs that address the following areas:

- Renewable energy will be advocated through presentations, partnerships, information distribution, workshops, taskforce development and other means promoting biofuels, bioenergy and solar energy

- Alternate transportation fuels, especially renewable biofuels will be promoted through regional workshops, taskforce participation, presentations, stakeholder coordination and website development.

- Promote the use of landfill gas and biofuels to generate renewable energy.

- Promote the local government loan program to local governments and K-12 schools and provide zero-interest loans for energy conservation loans for energy conservation improvements, energy audits and building retrofits.

- Promote energy efficiency in industrial facilities and participation in the DOE Industrial Technologies program to improve processes and practices that reduce energy use and cost of operation.

- The Rural Water System Leak Detection Program will reduce energy usage and water loss.

- Energy Codes Outreach and Advocacy Program will promote the adoption or update of energy codes on the local level.

- Carpool and vanpool rideshare matching will be promoted to metropolitan and rural areas by promoting the CommuteSmart program through information distribution, presentations and internet communication. Public transportation will also be promoted through marketing materials.

- The State Buildings Energy Efficiency Program will increase energy efficiency in state facilities and advocate life-cycle costing to permit the expanded procurement of ENERGY STAR products through state purchasing.

- Performance constructing will contribute toward the reduction of energy consumption in state buildings and will be marketed to state agencies, local governments and schools.

- The Building Energy Codes Programs will increase residential and public building energy efficiency through advocacy of local government adoption and enforcement of the complete International Residential Code and public building lighting and thermal efficiency standards.

- Energy consumer market transformation will occur through public energy education, stimulating demand for ENERGY STAR products, residential building education, and K-12 energy education.

- Waste generation impact on the environment and energy consumption to produce end products will be reduced through recycling advocacy.

- Promote the use of ground source heating and cooling with the installation of geothermal heat pumps in K-12 schools.

Special Initiatives (Other)

The State of Alabama will continue to participate in the ARC Export Trade Advisory Council (ETAC) and will support efforts to increase international trade and export development in Appalachian Alabama. The State will also assist in recruiting industries for trade expeditions and trade shows related to ETAC. The Alabama ARC Program will advance the Appalachian Regional Commission effort, *Growing the Appalachian Food Economy,* to foster economic diversification and revitalization by promoting local food systems and sustainable agriculture and integrating agriculture and ecological components into educational initiatives and projects.

State ARC Program Policies

A Pre-Application Workshop will be held in the Region each year, during the month of July. Pre-Applications will be taken through September 16th. Projects selected for Reserve Funding will be notified the 1st week of November and an Application/Compliance Workshop will be conducted the 1st week of December. Full applications to the State program will be due January 20, 2014.

The State of Alabama's Appalachian Regional Commission Program will focus primarily on areas of highest need, areas suffering from economic depression, areas with existing health hazards, areas where projects will have the most significant impact, and areas that are not able to help themselves. Project applications and the scope of the proposed project

must address one (1) Goal, Strategy and Objective outlined in the *Strategies for Appalachian Alabama* above. Each project for which ARC funding is requested will be considered on a case-by-case basis, and must contain performance measures consistent with those set by the Commission in their Performance Plan for FY2014. ARC funds will not be used for workforce development projects if it is a duplication of funding through the Workforce Development program. Pre-Application templates, Performance Measurements, 2014 County Designations and related application documents may be accessed online at www.adeca.alabama.gov.

The Local Development Districts (LDDs) are encouraged to solicit as many proposals as possible within their service area so that the needs of the Appalachian people can be identified.   The ARC program manager works closely with the LDDs and local government officials as well as nonprofit organizations to address the needs of Alabama's Appalachian citizens.

The State's maximum threshold for counties designated by the ARC as "distressed" will be 80 percent with a maximum of $200,000 in ARC funds per project. The maximum threshold for counties designated as "at-risk" may be up to 70 percent with a maximum of $200,000 in ARC funds per project. The maximum threshold for counties designated by the ARC as "transitional" will be 50 percent with a maximum of $200,000 in ARC funds per project.   The maximum threshold for counties designated as "competitive" will be 30 percent with a maximum of $200,000 in ARC funds per project. ARC funds are ineligible for activities occurring in counties designated as "attainment," except in the case of multi-county projects, which provide clearly defined benefits in one or more "distressed" counties.   A waiver of the restriction for "attainment" counties may be requested in accordance with Section 7-6.6 of the ARC Code. Funding for Revolving Loan (RLF) programs will be considered with respect to established Commission-approved RLF Guidelines.

State thresholds for Administrative Grants for Local Development Districts (LDDs) will be 50%. LDDs with at least 1 Distressed county will have a threshold of 75% with a 25% match. LDDs with at least 1 At-Risk county and no Distressed counties will have a threshold of 70% with a 30% local match.   The State's Consolidated Technical Assistance program will be funded at a maximum of 50 percent. Projects are considered on a year-to-year basis with a maximum of three years' funding unless there are extenuating circumstances. The State will not fund projects to construct or renovate school buildings, except in emergencies.   Project overruns will not generally be considered for additional ARC funding. When there are project under-runs, ARC funds will generally be de-obligated, returned, and made available for other eligible projects. A request for proportional reduction will be given consideration in projects with under-runs. Under certain circumstances, the state may waive the state policy maximum of $200,000 per project. The State will target areas of greatest need, and will respond with ARC funding in emergency situations and whenever special development opportunities arise. The maximum threshold for emergency relief projects and projects considered as special development opportunities will be 80/20.

The state will work closely with the Alabama Development Office in efforts to increase trade in Appalachian Alabama, and will participate in trade events as well as events sponsored by the ARC Export Trade Advisory Council. The State of Alabama will support programs that increase export sales of small and medium-sized firms (SMEs) from Appalachian Alabama as well as programs that increase the number of SMEs engaged in international trade. Alabama's ARC will collaborate with national and local partners to foster public and private partnerships to achieve these goals and objectives.

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Greater BIRMINGHAM-Region 3

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EAST ALABAMA – Region 4

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Counties Included:	Calhoun, Chambers, Cherokee, Clay, Cleburne, Coosa, Etowah, Randolph, Talladega, Tallapoosa

SOUTH CENTRAL ALABAMA – Region 5

Executive Director:	Tyson Howard
Address:	South Central Alabama
	Development Commission
	5900 Carmichael Place
	Montgomery, AL 36117-2345
Website:	www.scadc.net
Telephone:	334-244-6903
E-mail	**thoward@scadc.net**
Counties Included:	Macon (Bullock, Butler, Crenshaw, Lowndes, Montgomery, Pike)

CENTRAL ALABAMA – Region 9

Executive Director:	Greg Clark
Address:	Central Alabama Regional
	Planning & Dev. Commission
	430 South Court Street
	Montgomery, AL 36104
Telephone:	334-262-4300
E-mail	director@carpdc.com
Counties Included:	Elmore (Autauga, Montgomery)

NORTH CENTRAL – Region 11

Executive Director:	Jeff Pruitt
Address:	North Central Alabama Regional
	Council of Governments
	P. O. Box C
	Decatur, AL 35602
Telephone:	256-355-4515
E-mail	Jeffrey.pruitt@adss.alabama.gov
Counties Included:	Cullman, Lawrence, Morgan

TOP OF ALABAMA –Region 12

Executive Director:	Nancy Robertson
	Top of Alabama Regional Council
	of Governments
	5075 Research Drive, N.W.
	Huntsville, AL 35805
Telephone:	256-830-0818
E-mail	nancy.robertson@tarcog.us
Counties Included:	DeKalb, Jackson, Limestone, Madison, Marshall